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WAR, BUSINESS AND INSURANCE¹

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THE complications behind the war in Europe are very many, ruthless exploitation, heartless and brainless diplomacy, futile dreams of national expansion (the "Mirage of the Map"), of national enrichment through the use of force (the "Great Illusion"), and withal a widespread vulgar belief in indemnities or highway robberies as a means of enriching a nation.

All these would represent only the unavoidable collision, unrest and ambition of human nature, were it not that every element involved in it was armed to the teeth. "When blood is their argument" in matters of business or politics, all rational interests are imperilled. The gray old strategists to whom the control of armament was assigned saw the nations moving towards peaceful solution of their real and imaginary difficulties. The young men of Europe had visions of a broader world, one cleared of lies and hate and the poison of an ingrowing patriotism. After a generation of doubt and pessimism in which world progress seemed to end in a blind sack, there was rising a vision of continental cooperation, a glimpse of the time when science, always international, should also internationalize the art of living.

Clearly the close season for war was near at hand. The old men found means to bring it on and in so doing to exploit the patriotism, enthusiasm, devotion and love of adventure of the young men of the whole world.

The use of fear and force as an argument in politics or in business—this is war. It is a futile argument because of itself it settles nothing. Its conclusion bears no certain relation to its initial aim. It must end where it should begin, with an agreement among the parties concerned. War is only the blind negation, the denial of all law, and only the recognition of the supremacy of some law can bring war to an end. In time of war all laws are silent as are all efforts for progress, for justice, for the betterment of human kind. If history were written truthfully every page in the story of war would be left blank, or printed black, with only fine white letters in the darkness to mark the efforts for humanity, which war can never wholly suppress.

In this paper I propose to consider only economic effects of this war and with special reference to the great industry which brings most of this audience together, the business of insurance.

¹ Chairman's address on Peace Day of the Insurance Congress, Panama-Pacific International Exposition, San Francisco, October 11, 1915.

The great war debts of the nations of Europe began with representative government. Kings borrowed money when they could, bankrupting themselves at intervals and sometimes wrecking their nations. Kings have always been uncertain pay. Not many loaned money to them willingly and only in small amounts and at usurious rates of interest. To float a "patriotic loan," it was often necessary to make use of the prison or the rack. With the advent of parliaments and chambers of deputies, the credit of nations improved and it became easy to borrow money. There was developed a special class of financiers, the Rothschilds at their head, pawnbrokers rather than bankers, men able and willing to take a whole nation into pawn. And with the advent of great loans, as Goldwin Smith wisely observed, "there was removed the last check on war."

With better social and business adjustments, and especially with the progress of railways and steam navigation with other applications of science to personal and national interests, the process of borrowing became easier, as also the payment of interest on which borrowing depends. Hence more borrowing, always the easiest solution of any financial complication or embarrassment. Through the substitution of regular methods of taxation for the collection of tribute, the nations became solidified. Only a solidified nation can borrow money. The loose and lawless regions called Kingdoms and Empires under feudalism were not nations at all. A nation is a region in which the people are normally at peace among themselves. In civil war, a nation's existence may be dissolved.

In all the ages war costs all that it can. All that can be extorted or borrowed is cast into the melting pot, for the sake of self-preservation or for the sake of victory. If the nations had any more to give war would demand it. The king could extort, but there are limits to extortion. The nation could borrow, and to borrowing there is but one limit, that of actual exhaustion.

Mr. H. Bell, cashier of Lloyd's Bank in London, said in 1913:

The London bankers are not lending on the continent any more. We can see already the handwriting on the wall and that spells *repudiation*. The people of Europe will say: "We know that we have had all this money and that we ought to pay interest on it. But we must live; and we can not live and pay."

The chief motive for borrowing on the part of every nation has been war or preparation for war. If it were not for war no nation on earth need ever have borrowed a dollar. If provinces and municipalities could use all the taxes their people pay, for purposes of peace, they could pay off all their debts and start free. In Europe, for the last hundred years, in time of so-called peace, nations have paid more for war than for anything else. It is not strange therefore that this armed peace has "found its verification in war." It has been the "Dry War,"

the "Race for the Abyss," which the gray old strategists of the general staff have brought to final culmination.

The debt of Great Britain began with the revolution of 1869, with about \$1,250,000. This unpopular move, known as Dutch finance, was the work of William of Orange. Other loans followed, based on customs duties with "taxes on bachelors, widows, marriages and funerals," and the profits on lotteries. At the end of the war of the revolution the debt reached \$1,250,000,000, and with the gigantic borrowings of Pitt, in the interest of the overthrow of Napoleon, the debt reached its highest point, \$4,430,000,000. The savings of peace duly reduced this debt, but the Boer war, for which about \$800,000,000 was borrowed, swept these savings away. When the present war began the national debt had been reduced to a little less than \$400,000,000 which sum a year of world war has brought up to \$10,000,000,000.

The debt of France dates from the French Revolution. Through reckless management it soon rose to \$700,000,000, which sum was cut by paper money, confiscation and other repudiations to \$160,000,000. This process of easing the government at the expense of the people spread consternation and bankruptcy far and wide. A great program of public expenditure following the costly war and its soon repaid indemnity raised the debt of France to over \$6,000,000,000. The interest alone amounted to nearly \$1,000,000,000. A year of the present war has brought this debt to the unheard of figure of about \$11,000,000,000. Thus nearly two million bondholders and their families in and out of France have become annual pensioners on the public purse, in addition to all the pensioners produced by war.

Germany is still a very young nation and as an empire more thrifty than her largest state. The imperial debt was in 1908 a little over \$1,000,000,000. The total debt of the empire and the states combined was about \$4,000,000,000 at the outbreak of the war. It is now stated at about \$9,000,000,000, a large part of the increase being in the form of "patriotic" loans from helpless corporations.

The small debt of the United States rose after the Civil War to \$2,773,000,000. It has been reduced to about \$915,000,000, proportionately less than in any other civilized nation. The local debts of states and municipalities in this and other countries are, however, very large and are steadily rising. As Mr. E. S. Martin observes,

We have long since passed the simple stage of living beyond our incomes. We are engaged in living beyond the incomes of generations to come.

Let me illustrate by a supposititious example. A nation has an expenditure of \$100,000,000 a year. It raises the sum by taxation of some sort and thus lives within its means. But \$100,000,000 is the interest on a much larger sum, let us say \$2,500,000,000. If instead of paying out a hundred million year by year for expenses, we capitalize it,

we may have immediately at hand a sum twenty-five times as great. The interest on this sum is the same as the annual expense account. Let us then borrow \$2,500,000,000 on which the interest charges are \$100,000,000 a year. But while paying these charges the nation has the principal to live on for a generation. Half of it will meet current expenses for a dozen years, and the other half is at once available for public purposes, for dockyards, for wharves, for fortresses, for public buildings and, above all, for the ever-growing demands of military conscription and of naval power. Meanwhile the nation is not standing still. In these twelve years the progress of invention and of commerce may have doubled the national income. There is then still another \$100,000,000 yearly to be added to the sum available for running expenses. This again can be capitalized, another \$2,500,000,000 can be borrowed, not all at once perhaps, but with due regard to the exigencies of banking and the temper of the people. With repeated borrowings the rate of taxation rises. Living on the principal sets a new fashion in expenditure. The same fashion extends throughout the body politic. Individuals, corporations, municipalities all live on their principal.

The purchase of railways and other public utilities by the government tends further to complicate the problems of national debt. It is clear that this system of buying without paying can not go on forever. The growth of wealth and population can not keep step with borrowing, even though all funds were expended for the actual needs of society. Of late years, war preparation has come to take the lion's share of all funds, however gathered, "consuming the fruits of progress." What the end shall be, and by what forces it will be brought about, no one can now say. This is still a very rich world, even though insolvent and under control of its creditors. There is a growing unrest among taxpayers. There would be a still greater unrest if posterity could be heard from, for it can only save itself by new inventions and new exploitations or by frugality of administration of which no nation gives an example to-day.

Nevertheless, this burden of past debt, with all its many ramifications and its interest charges, is not the heaviest the nations have placed on themselves. The annual cost of army and navy in the world before the war was about double the sum of interest paid on the bonded debt. This annual sum represented preparation for future war, because in the intricacies of modern warfare "hostilities must be begun" long before the materialization of any enemy. In estimating the annual cost of war, to the original interest of upwards of \$1,500,000,000 we must add yearly about \$2,500,000,000 of actual expenditure for fighters, guns and ships. We must further consider the generous allowance some nations make for pensions. A large and unestimated sum may also be added to the account from loss of military conscription, again not counting the losses to society through those forms of poverty which have their primal cause

in war. For in the words of Bastiat, "War is an ogre that devours as much when he sleeps as when he is awake." It was Gambetta who foretold that the final end of armament rivalry must be "a beggar crouching by a barrack door."

When the great war began, the nations of Europe were thus waist deep in debt, the total amount of national bonded indebtedness being about \$30,000,000,000, or nearly three times the total sum of actual gold and silver, coined or not in all the world. A year of war at the rate of \$50,000,000 to \$70,000,000 per day has increased this indebtedness to nearly \$50,000,000,000, the bonds themselves rated at half or less their normal value, while the actual financial loss through destruction of life and property has been estimated at upwards of \$40,000,000,000.

In "The Unseen Empire," the forceful and prophetic drama of Mr. Atherton Brownell, the American ambassador, Stephan Channing, tries to show the chancellor of Germany that war with Great Britain is not a "good business proposition." He says:

Our Civil War has cost us to date, if you count pensions for the wrecks it left—mental and physical—nearly twenty billions of dollars. And that doesn't include property losses, nor destruction of trade, nor broken hearts and desolate homes—that's just cold hard cash that we have actually paid out. You can't even think it. There have been only about one billion minutes since Christ was born. Now if there had been four million slaves and we had bought every one of them at an average of one thousand dollars apiece, set them free and had no war, we should have been in pocket to-day just sixteen billion dollars. That one crime cost us in cash just about the equal of sixteen dollars a minute from the beginning of the Christian era.

The war as forecast in the play is now on in fact, and one certain truth in regard to it is that it is assuredly not "a good business proposition" for anybody in any nation, excepting of course, the makers of the instruments of death.

DAILY COST OF GREAT EUROPEAN WAR (Charles Richet, 1912)

Feed of men	\$12,600,000
Feed of horses	1,000,000
Pay (European rates)	4,250,000
Pay of workmen in the arsenals and ports (100 per day) ..	1,000,000
Transportation (60 miles in 10 days)	2,100,000
Transportation for provisions	4,200,000
Munitions: Infantry 10 cartridges a day	4,200,000
Artillery: 10 shots per day	1,200,000
Marine: 2 shots per day	400,000
Equipment	4,200,000
Ambulances: 500,000 wounded or ill (\$1 per day)	500,000
War ships	500,000
Reduction of imports	5,000,000
Help to the poor (20 cents per day to 1 in 10)	6,800,000
Destruction of towns, etc.	2,000,000
Total per day	\$49,950,000

The actual war began, in accord with Professor Richet's calculation, at a cost of \$50,000,000 per day. Previous to this the "dry war" or "armed peace" cost only \$10,000,000 per day. This is Richet's calculation in 1912, an underestimate as to expenses on the sea and in the air. These with the growing scarcity of bread and shrapnel, the equipment of automobiles, and the unparalleled ruin of cities have raised this cost to \$70,000,000 per day.

This again takes no account of the waste of men and horses, less costly than the other material of war and not necessarily replaced. All this is piled on top of "the endless caravan of ciphers" (\$30,000,000,000), which represents the accumulated and unpaid war debt of the nineteenth century.

War is indeed the sport for kings, but it is no sport for the people who pay and die, and in the long run the workers of the world must pay the cost of it. As Benjamin Franklin observed:

War is not paid for in war time, the bill comes later.

And what a bill!

Yves Guyot, the French economist, estimates that the first six months of war cost western Europe in cash \$5,400,000,000, to which should be added further destruction estimated at \$11,600,000,000, making a total of \$17,000,000,000. The entire amount of coin in the world is less than \$12,000,000,000. Edgar Crammond, secretary of the Liverpool Stock Exchange, another high authority, estimates the cash cost of a year of war, to August 1, 1915, at \$17,000,000,000, while other losses will mount up to make a grand total of \$46,000,000,000. Mr. Crammond estimates that the cost to Great Britain for a year of war will reach \$3,500,000,000. This sum is about equivalent to the accumulated war debt of Great Britain for a hundred years before the war. The war debt of Germany (including Prussia) is now about the same.

No one can have any conception of what \$46,000,000,000 may be. It is four times all the gold and silver in the world. It represents, it is stated, about 100,000 tons of gold, and would probably outweigh the Washington monument. We have no data as to what monuments weigh, but we may try a few other calculations. If this sum were measured out in \$20 gold pieces and they were placed side by side on the railway track, on each rail, they would line with gold every line from New York to the Pacific Ocean, and there would be enough left to cover each rail of the Siberian railway from Vladivostock to Petrograd. There would still be enough left to rehabilitate Belgium and to buy the whole of Turkey, at her own valuation, wiping her finally from the map.

Or we may figure in some other fashion. The average working man in America earns \$518 per year. It would take ninety million years'

work to pay the cost of the war; or ninety million American laborers might pay it off in one year, if all their living expenses were paid. The working men of Europe receive from half to a third the wages in America. They are the ones who have this bill to pay.

The cost of a year of the great war is a little greater than the estimated value of all the property of the United States west of Chicago. It is nearly equal to the total value of all the property in Germany (\$48,000,000,000) as figured in 1906. The whole Russian Empire (\$35,000,000,000) could have been bought for a less sum before the war began. It could be had on a cash sale for half that now. It would have paid for all the property in Italy (\$13,000,000,000); Japan (\$10,000,000,000); Holland (\$5,000,000,000); Belgium (\$7,000,000,000); Spain (\$6,000,000,000) and Portugal (\$2,500,000,000). It is three times the entire yearly earnings in wages and salaries of the people of the United States (\$15,500,000,000).

We could go on indefinitely with this, playing with figures which nobody can understand, for the greatest fortune ever accumulated by man, in whatever fashion, would not pay for three days of this war.

The cost of this war would pay the national debts of all the nations in the world at the time the war broke out, and this aggregate sum of \$45,000,000,000 for the world was all accumulated in the criminal stupidity of the wars of the nineteenth century. If all the farms, farming lands, and factories of the United States were wiped out of existence, the cost of this war would more than replace them. If all the personal and real property of half our nation were destroyed, or if an earthquake of incredible dimensions should shake down every house from the Atlantic to the Pacific, the waste would be less than that involved in this war. And an elemental catastrophe leaves behind it no costly legacy of hate; even the financial troubles are not ended with the treaty of peace. The credit of Europe is gone for one does not know how long. Before the war, it is said, there were \$200,000,000,000 in bonds and stocks in circulation in Europe. Much of this has been sold for whatever it would bring. Some of the rest is worth its face value. Some of it is worth nothing. In the final adjustment who can know whether he is a banker or a beggar?

The American Ambassador was quite within bounds when he said: "There isn't so much money in the world; you can't even think it!"

Or we may calculate (with Dr. Edward T. Devine) in a totally different way. The cost of this war would have covered every moral, social, economic and sanitary reform ever asked for in the civilized world, in so far as money properly expended can compass such results. It could eliminate infectious disease, feeble-mindedness, the slums and the centers of vice. It could provide adequate housing, continuity of labor, insurance against accident; in other words it could abolish almost

every kind of suffering due to outside influences and not inherent in the character of the person concerned.

A Russian writer, quoted by Dr. John H. Finley, puts this idea in a different form:

Our most awful enemies, the elements and germs and insect destroyers, attack us every minute without cease, yet we murder one another as if we were out of our senses. Death is ever on the watch for us, and we think of nothing but to snatch a few patches of land! About 5,000,000,000 days of work go every year to the displacement of boundary lines. Think of what humanity could obtain if that prodigious effort were devoted to fighting our real enemies, the noxious species and our hostile environment. We should conquer them in a few years. The entire globe would turn into a model farm. Every plant would grow for our use. The savage animals would disappear, and the infinitely tiny animals would be reduced to impotence by hygiene and cleanliness. The earth would be conducted according to our convenience. In short, the day men realize who their worst enemies are, they will form an alliance against them, they will cease to murder one another like wild beasts from sheer folly. Then they will be the true rulers of the planet, the lords of creation.

Says Robert L. Duffus:

Money spent in warfare is not like spending money in other industries. It will bring far more beastliness, far more injustice, far more tyranny, far more danger to all that is honorable, generous and noble in the world, far more grief and rage than money spent in any other way. Not one per cent. of the amount devoted to these purposes, is, for the end aimed at, wasted.

It is said that the main cause of the war lay in the envy of German commerce by British rivals. This is assuredly not true. But if it were, let us look at the business side of it. Taking the net profits of over-seas trade as stated two years ago by the Hamburg-American Company, the strongest in the world, and estimating the rest, we have something like this:

During the "Dry War" the net earnings of the German Mercantile fleet was about one third the cost of the navy supposed to protect it. It would take seventy years of trade, on the scale of the last year before the war, to repay Germany's expenses for a year of war. To make good all the losses of Europe would require more than one hundred years of the over-seas trading profits of all the world. War is therefore death to trade, as it is to every other agency of civilization.

At the beginning of the war the value of stocks and bonds in circulation in Europe amounted to about \$200,000,000,000. What is the present value of all these certificates of ownership? What is the present value of any particular industrial plant or commercial venture?

A friend in London had inherited through his German wife a large aniline dye plant on the Rhine. He told me recently that he had not heard one word from it for six months. What will be its value when he hears from it? And what certainty has he as to its ownership?

Is it true that this war is the outcome of commercial jealousy?

Let us look at this for a moment. The two greatest shipping companies in the world before the war were the Hamburg-American Company and the Nord-Deutscher Lloyd of Bremen. These companies had grown strong because they deserved to grow. They had attended to their affairs both in shipment of freight and transportation of passengers with that minute attention to details which is so large an element in German success. The growth of these companies arose through American trade and especially through trade with Great Britain and the British possessions. Did they clamor for war—a war, whatever else might result, sure to cripple their trade for a generation. It is said that Ballin, of the Hamburg Company, unable to prevent Great Britain from rising to the defense of Belgium “went home broken-hearted.” Did Ballin build the great *Imperator*, costing nine million—six million of it borrowed money—with a view of laying her off after a few trips for an indefinite period in Hamburg? Did the Nord-Deutscher Lloyd contemplate leaving the *Vaterland* and the *George Washington* to lie in Hoboken till they were sold for harbor dues?

Nor was the jealousy on the other side. The growth of German commerce concerned mainly Great Britain. Presumably it was profitable on both sides, for all trade is barter. In any event, Great Britain has never raised a tariff wall against it, never protected her traders by a single differential duty. She has risen above the idea that by tariff exactions the foreigners can be made to pay the taxes. As for envy of German commerce, who ever heard of an Englishman who envied anybody anything?

Again, did the Cunard Company build her three great steamships, the *Mauretania*, the *Lusitania*, the *Aquitania* for the fate which has come to them? In 1914 I saw the great *Aquitania*, finest of all floating palaces, tied by the nose to the wharf at Liverpool, the most sheepish-looking steamship I ever saw anywhere. Out of her had been taken \$1,250,000 worth of plate glass and plush velvet, elevators and lounging rooms, the requirements of the tender rich in their six days upon the sea. The whole ship was painted black, filled with coal—to be sent out to help the warships at sea. And for this humble service I am told she proved unfitted.

No, commercial envy is not a reason, rivalry in business is not a reason, need of expansion is not a reason. These are excuses only, not causes of war. There is no money in war. There is no chance of highway robbery in the byways of history which can repay anything tangible of the expense of the expedition. The gray old strategists do not care for this. It is fair to them to say they are not sordid. They care no more for the financial exhaustion of a nation than for the slaughter of its young men. “An old soldier like me,” said Napoleon, “does not care a tinker’s damn for the death of a million men.”

Neither does he care for the collapse of a million industrial corporations.

Of the many forms of business and financial relation among men, none is more important than those included under the name of insurance. Insurance is a form of mutual help. By its influence the effects of calamity are spread so widely that they cease to be felt as calamity. The fact of death can not be set aside, but through insurance it need not appear as economic disaster, only as personal loss. Its essential nature is that of social cooperation and it furnishes some of the most effective of bonds which knit society together. As insurance has become already an international function, its influence should be felt continuously on the side of peace. That it is so felt is the justification of our meeting together to-day, as underwriters of insurance and as workers for peace. The essence of insurance, as Professor Royce observes, is that

it is a principle at once peace-making in its general tendency and business-like in its practicable special application. . . . As a result of insurance, men gradually find themselves involved in a social network of complicated but beneficent relations of which individuals are usually very imperfectly aware but by means of which modern society has been profoundly transformed.

For life insurance, in general, is not personally selfish in its motive. It is essentially altruistic, the effort of the benefit of some person beloved who is designated as the beneficiary. For the benefit of this surviving person, the efforts involved in the payment of premiums are put forth, and the insurance companies and their underwriters constitute the machinery by which this unification is given to society.

To all the interests of insurance, the lawlessness of war is wholly adverse and destructive. Insurance involves mutual trust and trust thrives under security of person and property. Insurance demands steadiness of purpose and continuity of law. In war, all laws are silent. War is the brutish, blind, denial of law, only admissible when all other honorable alternatives have been withdrawn—the last resort of “murdered, mangled liberty.”

In its direct relation, war destroys those who to the underwriter represent the “best risks,” the men most valuable to themselves and thus most valuable to the community. Those whom war leaves behind, to slip along the lines of least resistance into the city slums, are the people insurance rarely reaches. War confuses administration of insurance. Policies, in war time, can be written only on a sliding scale. This greatly increases the premium by reducing the final payments. Increase of rate of premium must decrease business. War means financial anarchy, inflated currency and depreciation of bonds. A currency which fluctuates demoralizes all business and war leaves no alternative. The slogan “business as usual” in war time deceives

nobody. If it did, nobody would gain by the deception. Enforced loans from the reserve fund of insurance companies to the state mean the depreciation of reserves. The substitution of unstable government bonds means robbery of the bond holders. The yielding to the state, by enforced "voluntary action," of reserves of savings banks and insurance companies represents a form of state robbery. This is now in practise on the continent of Europe. Such funds are probably never actually confiscated but held in abeyance until the close of the war. This is another form of the everpresent "military necessity," which seizes men's property with little more compunction than it shows in seizing men's bodies. War conditions mean insecurity of investment. In war, all bonds are liable to become "scraps of paper," and no fund can be made safe. The insurance investments in Europe have been enormously depleted in worth, a reduction in market value estimated at 50 per cent.

Experts in insurance tell me that in war time certain policies are written so as to be scaled down automatically when the holder goes under the colors. Some are invalid in time of war, and some have the clause of free travel greatly abridged. A few are written to apply to all conditions, but on these the rates of premiums would naturally increase. Companies generally refuse to pay under conditions not nominated in the bond, and in general all policies are automatically reduced to level of war policies when war begins.

I am told that some American companies issue group policies as for any or all of a thousand men, these not subject to a physical examination. The war claims in Great Britain have been very heavy, because such a large proportion of clerks, artisans, students and other insurable or well-paid men have been first to volunteer. Some insurance companies have been much embarrassed by the general enlistment of their employees.

In fire insurance, conditions are much the same. All contracts in foreign nations are held in abeyance until the close of war. Such companies doing business in America are now mostly incorporated as American.

In every regard, the business of insurance is naturally allied with the forces that make for peace. War brings ruin, through increase of loans, through the exhaustion of reserves and the precarious nature of investment. The same remark applies in some degree to every honorable or constructive business. If any other form of danger threatened a great industry, its leaders would be on the alert. They would spare no money and leave no stone unturned for their own protection.

Towards war, business has always shown a stupid fatalism. War has been thought "inevitable," coming of itself at intervals with nobody responsible.

There could not be a greater error. War does not come of itself, nor without great and persistent preparation. A few hundred resolute men, bent on war, led by unscrupulous leaders brought on this war. The military group of one nation plays into the hands of like groups in other nations. To keep up war agitation long enough, whether the cause be real or imaginary, seems to hypnotize the public mind. The horrors of war fascinate rather than repel, and thousands of men in this land of peace are ready to fight in Europe to one who dreamed of such a line of action a year or two ago.

"Eternal vigilance is the price of liberty." The interests involved should put honest business on its guard. The insurance men could afford to maintain a thousand observers, men wise in business as well as in International Law, and in the manners and customs of the people of the world. A few dozen skilful politico-military detectives—men like W. J. Burns for example—employed in the interest of finance might save finance a billion dollars. These should watch the standing incentives to war. Such men should stand guard against the influences that work toward conflict. Those who work for peace should be not "firemen to be called in to put out the fire" already started through the negligence of business men but agents for "fireproof building material" in our national edifice, to stand at all times for the security of business, the sanctity of law, order and peace. This kind of "preparedness for war" would involve no risks of conflict, of victory or defeat.